

**BUDGET SPEECH: EXECUTIVE MAYOR: SPECIAL COUNCIL MEETING:
BUDGET 2020/2021 – 2022/2023: CALEDON 26 MARCH 2020**

INTRODUCTION

Speaker, Acting Municipal Manager, MAYCO members, other councillors and officials; I present to you the draft budget for the 2020/2021 financial year. This budget is not final and will now be published for public inputs and representations.

I have decided, in context with the circumstances that developed around the COVID-19 Virus Pandemic, to keep this budget presentation as short as possible. When I present the final budget deliberation I will provide a comprehensive background of the internal and external matters that influenced this budget.

I will the deal with the comments or suggestions from the public; as well as the impact of COVID-19 on this budget.

Speaker and colleagues, this remains a pre COVID 19 Pandemic draft Budget and the final budget might be something different as it is envisaged that the pandemic will influence this budget.

Speaker, most notable in this budget, is the fact that, to balance the books, we kept our income increases as low as possible and cut the overheads to the bone.

BUDGET AND IDP PROCESS

The processes to develop the IDP and Budget, and the integration thereof, went smoothly and I am impressed with the public participation processes. We adhered to all legal compliances regarding public participation and the drafting of a people's budget and IDP. We also held separate meetings with stakeholder groupings as to obtain their inputs, views and their buy in into the draft budget for 2020/2021. The engagements with stakeholders were honest and constructive.

INTEGRATION OF THE IDP AND BUDGET: PUBLIC PARTICIPATION

Speaker, the planning, development and implementation phases of the IDP and Budget of Theewaterskloof Municipality for the 2020/2021 and the two outer years complied with all legal requirements and especially those prescribed by the Local Government: Municipal Systems Act (Act 32 of 2000). I will again refer to this in the presentation for the final budget.

NOTES AS BACKGROUND TO THE BUDGET

The Medium-term Revenue and Expenditure Framework (MTREF) for 2020/21 to 2022/23 has been compiled to meet the requirements of the following legislation in particular:

- The Constitution of South Africa, Act 108 of 1996;
- The Municipal Structures Act, Act 117 of 1998;
- The Municipal Systems Act, Act 32 of 2000;
- The Local Government: Municipal Finance Management Act (MFMA), Act 56 of 2003;
- The Municipal Budget and Reporting Regulations promulgated on 17 April 2009; and
- The Division of Revenue Act, Act 1 of 2010.

The revenue and expenditure projections have taken the annual inflation-linked adjustments applicable to the Medium-term Revenue and Expenditure Framework into account.

INFLUENCES ON THE BUDGET

Speaker, a significant percentage of influences impacting on this budget are related to the macro environment and especially the following matters:

- The deteriorating of the national economy.

- A national budget that does not reflect the realities we face in local government; and which is detaches from the services needs of the poor and the growing number of indigent families.
- The unfolding horror of state capture and corruption that sucked enormous amounts out of our treasury.
- An understanding that the tax and tariff payers are overburdened and that the municipal bill is becoming unaffordable.
- A declining local economy due to several national and local instabilities.
- The reality that the outcome of poverty is eroding money that should have kept the economy growing and created jobs.

POSITIVES

Speaker and colleagues, I believe it is clear to the public that:

- Theewaterskloof do not waste money.
- Theewaterskloof uses money wisely.
- Theewaterskloof's overheads are down to a point where it only allows us to remain a functional municipality.

As a result of this, Speaker and colleagues, the balancing this this budget is somewhat of a miracle and it do give us hope for the future:

- Theewaterskloof still provides good services.
- Theewaterskloof remains an uncorrupted municipality that does not violate ratepayers' money.
- Community protests dried up and I assume that the public is satisfied with the levels of municipal services.
- We still budget for infrastructure upgrade and maintenance.
- Our revenue recovery ratio is improving.
- The communities' core needs are articulated in the IDP.
- The draft budget and IDP indicates good cooperation between the municipality and the public.

BUDGET FIGURES

Speaker, the key budget figures are as follows:

- The total operating Revenue is R663 790 000.
- The total Operating expenditure is R617 358 000.
- The total Capital Expenditure is R135 297 000.

- There is no increase in income.
- Expenditure increases with 1.2%
- Capital Expenditure increases with 9.9%

Tariffs will increase as follows:

- Assessment Rates 6.8%
- Electricity 8.1% (Subject to NERSA's final approval)
- Water 8%
- Sanitation (Sewer) 7.5%
- Solid Waste (Refuse) 7.0%

Income from the various sources are as follows:

- Property Rates: R116 980 000
- Service Charges: R256 711 000
- Operational Grants: R141 356 000
- Capital Grants: R63 424 000
- Other own revenue: R85 321 000

CONCLUDING COMMENTS

Speaker, this draft budget will now be advertised for public input and I can assure the public that all suggestions and requests will be considered before the final budget is submitted to Council for approval.

I thank every member of the broader municipal community for their input. I thank my EMC and Management for their input. I thank the staff for their support in these processes. I thank my Heavenly Father for His wisdom and His guidance that we experienced throughout.

Thank you, Speaker.

Councilor Christelle Vosloo
Executive Mayor
Theewaterskloof Municipality
2020/03/26